

PUBLIC RELATIONS DEPARTMENT

W. R. Grace & Co.
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PROFILE OF W. R. GRACE & CO.

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Founded in South America more than a century ago, W. R. Grace & Co. is an outstanding example of business diversification. In 1854 in Callao, Peru, William Russell Grace, an immigrant Irish farm boy of 22 became a partner in a ship chandlery firm -- the business ancestor of an industrial complex which today encompasses such diverse fields as: chemical manufacturing, textile manufacturing, sugar production, air transportation, candy and biscuit-making, paper making, banking, outdoor advertising, insurance, ocean shipping, merchandising, importing and exporting, and others.

Guided by the business philosophy of its founder, the Grace organization through its years of growth, first in South America and later in the United States, Central America and Europe, has consistently practiced a program of diversification, both industrially and geographically.

Long before Grace became a household word in South America, exporters and importers there came to rely on the ocean shipping facilities of the company, and the business life of such countries as Peru, Chile, and Colombia, benefited from new energy, new lines and new techniques introduced by W.R. Grace. Leaving a brother in charge of the business in

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South America, the founder moved to New York in 1865 and set up headquarters near Hanover Square, present location of the head offices of all Grace business interests.

Chile was, even in that day, a promising market for American manufactured goods. Peru was in need not only of manufactures from American centers but of pine from Oregon and Canada. Guano and raw cotton from Peru, nitrate and copper from Chile were natural exports. All these products helped make up the tonnage for Grace ships sailing between the two Americas.

After the death of the founder in 1904, and under the administration of a son, Joseph P. Grace, a shift in emphasis from international trading to intensified industrial activities in South America was accomplished. The organization bought and built new cotton mills and modernized old ones. It entered woolen manufacturing. It built refineries and gave Peru its first refined sugar. It expanded the well-known Grace Line fleet, and in Chile it entered into sugar refining, vegetable oil production, and paint and electrical equipment manufacturing. It constructed the world's first paper mill using bagasse as raw material. Moreover, it expanded the firm's activities in Colombia and Central America. In the late 1920s Grace, together with Pan American World Airways, formed Panagra--one of the Western Hemisphere's best known international airlines.

After World War II and under the leadership of J. Peter Grace, grandson of William Russell Grace, the company intensified its program of diversification. Determined to expand its domestic interests and convinced that

for growth purposes chemicals were unrivaled, Grace took a long hard look at the United States chemical industry.

The result was that, by 1954, 55 per cent of Grace's net fixed assets were in the domestic chemical industry, as compared with less than 3 per cent in 1950. In just five years Grace has invested more than \$150,000,000 in the domestic chemical industry.

Today the Chemical Group of Grace, headed by Marlin G. Geiger, Executive Vice President, includes seven divisions. They are: Grace Chemical Company; Grace Research & Development Company; Davison Chemical Company; Dewey and Almy Chemical Company; Dewey and Almy Overseas Company; The Cryovac Company; and the Polymer Chemicals Division.

Grace Chemical Company makes anhydrous ammonia and urea for both industrial and agricultural uses in its big nitrogen plant in Memphis, completed only a year ago.

Grace Research & Development Company is primarily responsible for the basic research and development of new projects such as the polyethylene plant recently constructed in Baton Rouge.

Davison Chemical Company, with twenty-one plants in the U. S. and Canada, is a major producer of such industrial chemicals as synthetic petroleum cracking catalysts, silica gels, silicofluorides and sulfuric acid; and of agricultural chemicals like superphosphate, triple superphosphate, mixed fertilizers and insecticides. Most recent of Davison's new plants is the petroleum catalyst plant in Valleyfield, Quebec.

The Dewey and Almy Chemical Company, with six plants in the U.S. and Canada, manufactures container sealing compounds, organic chemical specialties, meteorological balloons, and construction specialties.

The Dewey and Almy Overseas Company, with seven plants in Europe, Australia and South America, is responsible for the export and manufacture overseas of Dewey and Almy products.

The Cryovac Company, with four plants, produces CRYOVAC plastic bags for frozen and refrigerated meat, poultry and cheese.

Polymer Chemicals Division, located in Clifton, N.J., manufactures high density polyethylene at its 50,000,000 pound plant in Baton Rouge, La.

Besides the Chemical Group, the Grace organization includes Grace Line, Grace National Bank of New York, Foster and Kleiser Company (outdoor advertising), and many agricultural, mining and manufacturing enterprises in South and Central America.

Despite the considerable investment in chemicals, Grace has maintained and strengthened its other interests. In South America, for instance, the company has invested more than \$30,000,000 since the end of World War II. In fact, with the technical knowledge gained from its United States chemical operations, Grace is now accelerating the company's development in Canada and Latin America and broadening its participation in the expanding chemical processing and manufacturing industries in both areas.

